



A weekly question/answer column

How Can I Teach My Children Basics About Money?

*Liz Gorham * answers:*

A weekly allowance is one of the best ways to teach your children financial responsibility. Here are some tips for turning an allowance into an educational tool.

- Start when kids are young, usually about age six. This is when kids start to understand that some items are worth more than others.
- Be specific about what their allowance must cover. In the beginning, an allowance can cover extras, such as toys. For teenagers, the allowance can include such items as clothing and transportation.
- Resist the temptation to come to their rescue. Let kids feel the effects of their buying decisions. You'll reinforce financial responsibility, and they'll spend more wisely next time.
- Encourage kids to save a portion of their allowance. This savings can go toward big-ticket items such as a bicycle or stereo.
- Think twice before tying allowances to chores. A better idea is to pay kids for extra-large jobs, such as washing the windows.

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